

9-1-2009

Use of UI and ES by Recent TANF Leavers

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Citation

O'Leary, Christopher J. 2009. "Use of UI and ES by Recent TANF Leavers." Presented at Recovery and Reemployment Research Conference, Washington, DC, September 15-16.

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September, 2009

USDOL/ETA Recovery and
Reemployment Research Conference,
L'Enfant Plaza Hotel, Washington DC.

Use of UI and ES by Recent TANF Leavers

1. Background
2. Unemployment and UI Application
3. UI Eligibility and Receipt
4. UI use Compared to Non-TANF Leavers
5. UI use and Self-Sufficiency
6. ES use and Self-Sufficiency
7. Summary and Uses of Results

1. Background: UI Principles

- UI Monetary Eligibility
 - Recent earnings and employment
- UI Non-monetary Eligibility
 - Circumstances of job separation
 - No voluntary job quits or employer discharges
- Receipt of UI Benefits
 - Potential for delayed eligibility in benefit year

1. Background: Prior Research

UI Eligibility	Prior Estimates	New Estimates
Monetary	75 to 90%	87%
Non-Monetary	25 to 40%	44%
Benefit Receipt	10 to 33%	50%

2. Unemployment

Administrative data: 1996-2002

- Florida, Georgia, Michigan, Ohio
- TANF, UI payments, UI earnings

Outcomes measured with UI quarterly earnings data:

- Employment: Quarterly earnings of at least \$100

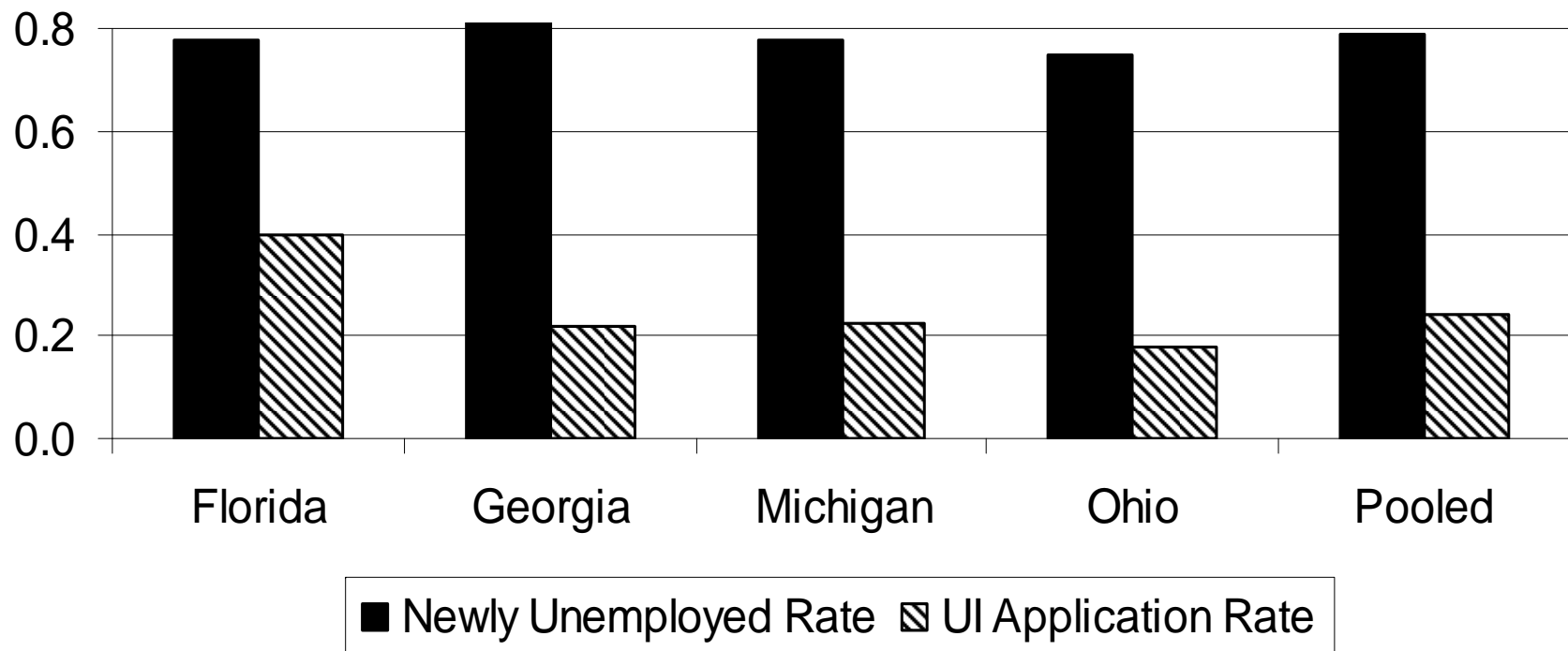
TANF exit for employment:

- Zero TANF payment with earnings of at least \$100
- Total leaving TANF for employment: 322,036

2. Unemployment

- Unemployment within 3 years after TANF exit:
 - Quarterly earnings less than \$100
 - Total Newly Unemployed: 253,189
- Mean unemployment rate across cohorts: 79%
 - Florida: 77%
 - Georgia: 81%
 - Michigan: 77%
 - Ohio: 75%

Rates of New Unemployment and UI Application Among TANF Leavers



2. UI Application

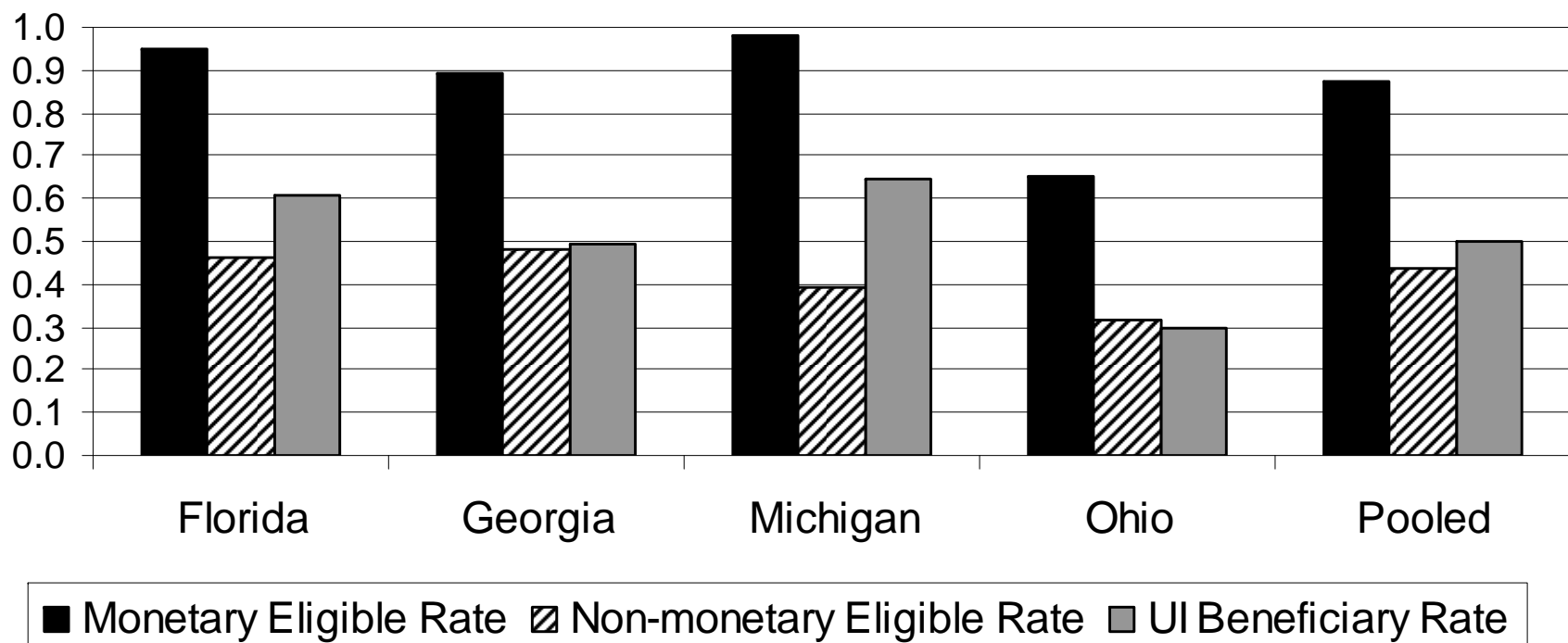
UI claims 1Q before to 3Q after new unemployment

- Cumulative UI application rate: 24%
- Linear probability model of UI application:
 - Increased application probability: prime age, African American, higher base period earnings, and more prior employment
- Non-applicants: 76%
 - Youths, whites, less prior work, lower recent earnings
 - Prior industries: retail trade, health care, hospitality

3. UI Eligibility and Receipt

	Monetary %	Non-Monetary %	Beneficiary %
Florida	95	46	61
Georgia	89	48	49
Michigan	98	39	65
Ohio	65	32	30
Pooled	87	44	50

Rates of UI Monetary Eligibility, Non-Monetary Eligibility, and Benefit Receipt



3. UI Eligibility and Receipt

Lower monetary eligibility rates in Ohio:

- Ohio requires 20 weeks of work at 27.5% of AWW
- That's more than 33 hours per week at \$5.15 in 2000

Large share of TANF leavers are non-monetary ineligible:

- Voluntary quits
- Employer discharge for cause

UI Beneficiary rates above non-monetary eligibility rates

- Re-qualify through additional employment
- Ohio requires 6 weeks at 27.5% of AWW

4. UI use Compared to Non-TANF Leavers

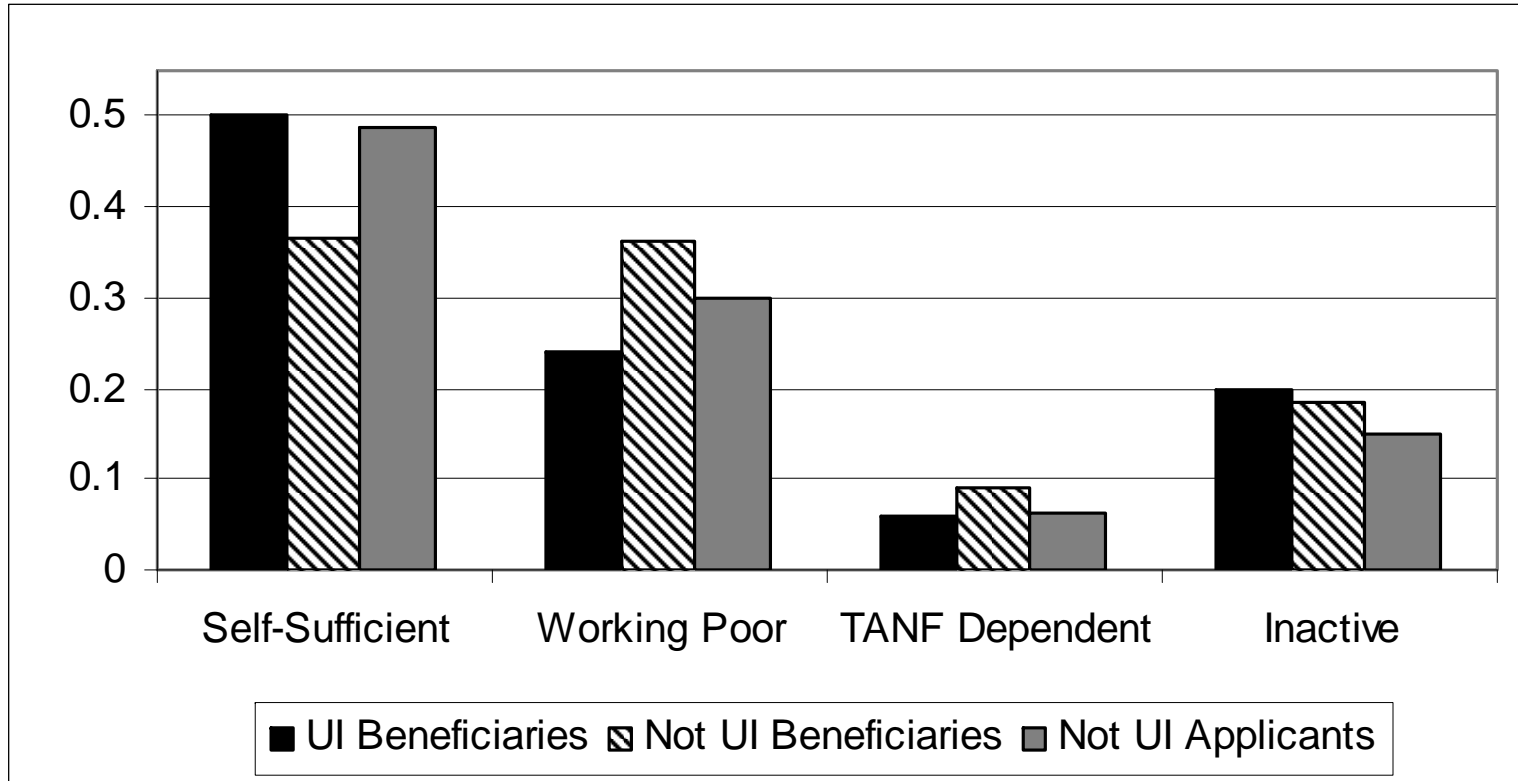
Percentage Points	Beneficiary Diff From non-TANF	Quit Diff From non-TANF	Discharge Diff From non-TANF
Florida	-11	9	8
Georgia	-20	4	10
Michigan	-22	11	29
Ohio	-37	6	13
Pooled	-23	9	15

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5. Self-Sufficiency of TANF Leavers

After TANF Exit	No TANF	TANF
Employment	Self-Sufficient 48%	Working Poor 30%
No Employment	Inactive 15%	TANF Dependent 7%

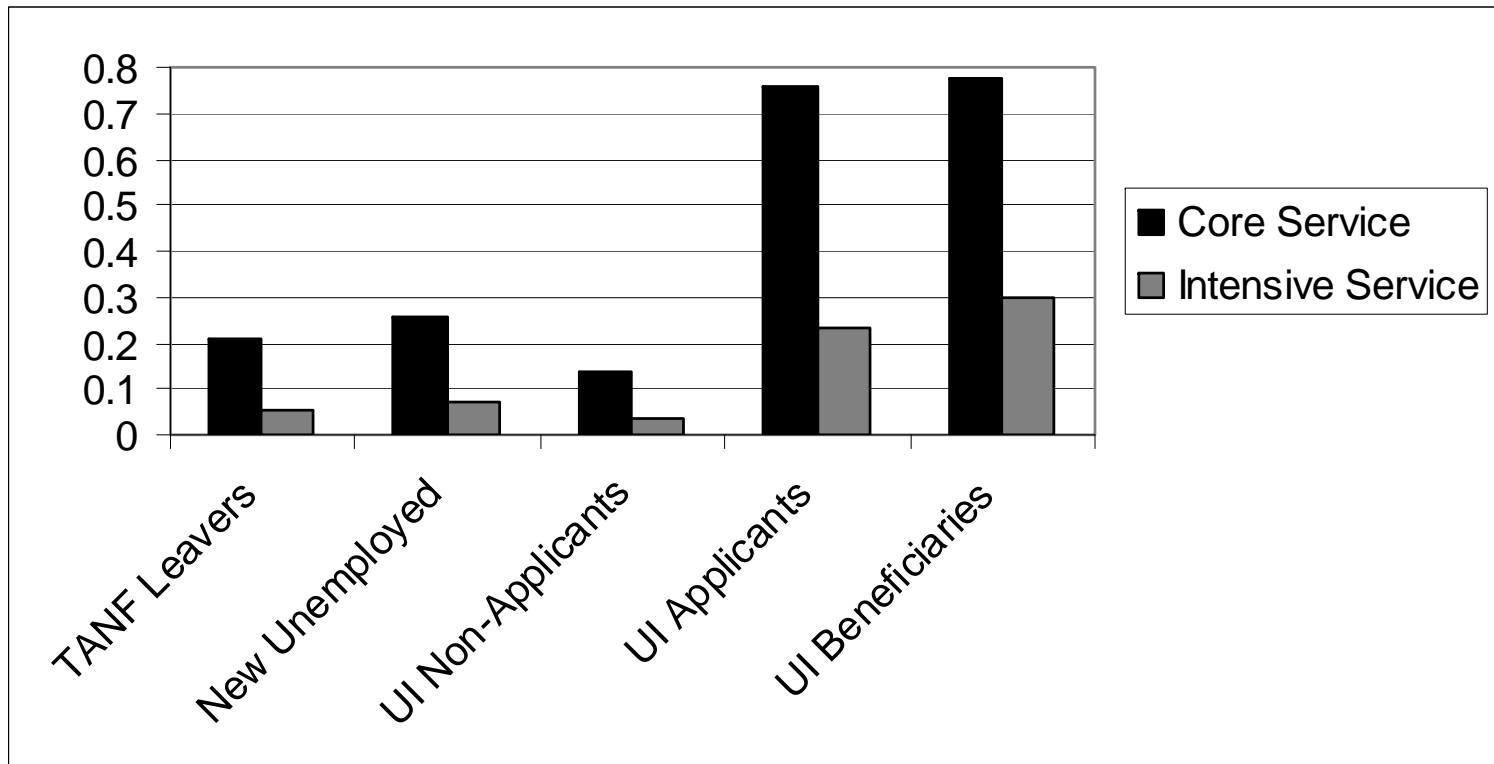
5. UI use and Self-Sufficiency



6. ES use by Georgia TANF Leavers

	Sample	Core Service	Intensive Service
TANF Leavers	152,278	0.211	0.054
New Unemployed	123,424	0.256	0.073
UI Non-Applicants	96,254	0.139	0.038
UI Applicants	27,166	0.761	0.234
UI Beneficiaries	13,335	0.778	0.301
UI Ineligibles	15,295	0.771	0.224

6. ES use by Georgia TANF Leavers



ES effects on Return to Employment

	Non-Applicant	Beneficiary	Non-Beneficiary
Service Needs Assessment	0.026**	-0.011	0.028**
Job Search Assistance	0.023**	-0.001	0.031**
Job Referral	0.065**	0.049**	0.107**
Individual Counseling	0.017	0.03	0.023
Customer Service Plan	-0.02	-0.033	-0.036*
Expanded Workshop	0.038**	0.017	0.035**

ES effects on Self-Sufficiency

	Non-Applicant	Beneficiary	Non-Beneficiary
Service Needs Assessment	0.138**	0.018	0.082**
Job Search Assistance	0.049**	0.009	0.059**
Job Referral	0.061**	0.035**	0.032**
Individual Counseling	0.062**	-0.002	0.02
Customer Service Plan	-0.01	0.041	0.014
Expanded Workshop	0.311**	0.321**	0.289**

ES impacts on Inactivity

Employment Service	Non-Applicant	Beneficiary	Non-Beneficiary
Service Needs Assessment	-0.042**	-0.004	-0.056**
Job Search Assistance	-0.030**	0.008	-0.051**
Job Referral	-0.048**	-0.044**	-0.078**
Individual Counseling	-0.017	-0.004	0.006
Customer Service Plan	0.027**	0.005	0.023
Expanded Workshop	-0.065**	-0.085**	-0.090**

ES impacts on Working Poor

	Non-Applicant	Beneficiary	UI Applicant
Service Needs Assessment	0.122**	0.003	0.054**
Job Search Assistance	0.043**	0.016*	0.039**
Job Referral	0.077**	0.040**	0.061**
Individual Counseling	0.061	0.024	0.050**
Customer Service Plan	-0.003	0.014	0
Expanded Workshop	0.284**	0.253**	0.234**

ES impacts on TANF Dependency

Employment Service	Non-Applicant	Beneficiary	UI Applicant
Service Needs Assessment	0.016**	0.015**	0.028**
Job Search Assistance	0.007	-0.007	0.020**
Job Referral	-0.017**	-0.005	-0.029**
Individual Counseling	0	-0.026**	-0.029**
Customer Service Plan	-0.007	0.027**	0.013
Expanded Workshop	0.027**	0.068**	0.055**

Core and Intensive Effects in Georgia

- Increased return to Employment
- Increased rates of Self-Sufficiency
- Reduced rates of Inactivity
- Increased Employment for TANF Returnees
- Georgia ES results similar to Ohio

7. Summary of Results

- Over half of TANF leaver UI applicants receive UI, while previous estimates were only one-third.
- TANF leavers qualify for UI at lower rates than other UI applicants primarily due to higher rates of job quits and employer discharge.
- Among TANF leaver UI applicants, UI beneficiaries have a 34% lower rate of returning to TANF.
- Employment Services widely used and effective.

7. Uses of Results

- Only a quarter of unemployed TANF leavers apply for UI
 - Stronger link of UI application to TANF re-qualification
- Target UI application efforts to the least likely to apply:
 - Young, white, had less prior employment and earnings and worked in retail trade, health care and hospitality industries
- Target Job retention and advancement to those at high risk of:
 - Voluntary quits are higher for females; whites; industries: retail, hospitality, health care; occupations: services
 - Employer discharge: industries: retail; finance, insurance, and real estate; hospitality